

# Metal Matters

Your Weekly Update on the Global Metal Markets



## Upcoming:

China's Bright Future –  
Wednesday 11<sup>th</sup> August @  
9.30am

## Week in Review

Another tumultuous week for global markets ends with most of the market slightly in the red on the back of renewed Covid-19 fears stemming from the proliferation of the Delta variant. The S&P closed 0.54% down, while the NASDAQ and FTSE 100 closed -0.71% and -0.65% respectively. In China, US listed tech-stocks are set for their worst monthly performance since the Global Financial Crisis as a result of the recent regulation crackdown. The US 10-year Treasury yield has also decreased to 1.23%, signifying that worries about the pandemic still threaten economic recovery. The IMF also released their World Economic Outlook update on Tuesday, projecting an unchanged figure of 6% global growth in 2021, and a revised upwards figure of 4.9% in 2022. However, offsetting revisions were made and prospects for emerging economies have been marked down for 2021, especially in emerging Asia. On the other hand, the forecast for advanced economies have been revised up for 2021: particularly in the US, reflecting the anticipated legislation of additional fiscal support in the second half of 2021.





## Metals in the News

Gold is set for a modest rally for the rest of 2021, with analysts claiming prices will average a little above the current \$1,830/oz, before edging lower next year as economies look to re-open and central banks look to tighten monetary policy. In the short-term, however, a recent uptick in inflation should buoy gold prices to average \$1,835 in Q3 and \$1,841 in Q4, a Reuters analyst poll found.

After a rough month for Copper in June as a result of China's announcement that they will release their copper reserves for price stabilization (resulting in an 8.3% decline in futures prices), copper futures look to score a near 3% gain this month. This is due to speculative positioning now being more normalized, and investors are beginning to see that China's reserve impact may not be very much at all. Matthew Fine, portfolio manager at Third Avenue Value Strategy, says the "market fundamentals of a tight physical market and terrific demand outlook are being weighted more heavily". Copper prices are up about 28% YTD, marking the largest yearly rise since 2017.

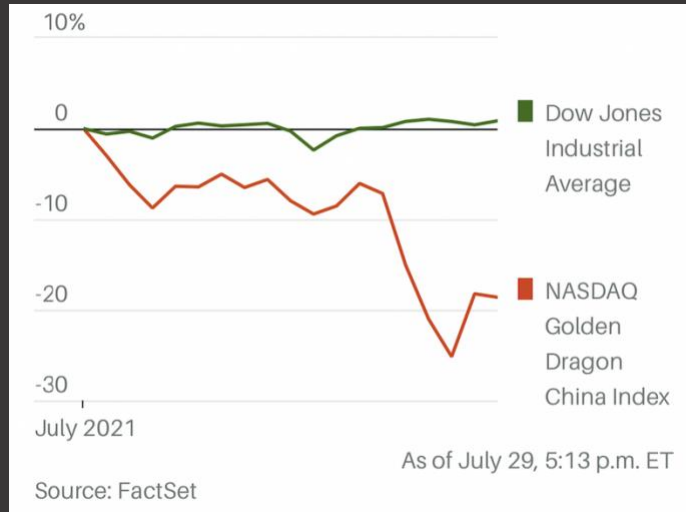
Platinum ended the week above its \$1,035/oz resistance level at \$1,051, hopefully ending its sideways momentum the past few weeks to force the price to form some bullish waves and rise to the next break of \$1,075. After a volatile few days, palladium has also rebounded on the back of a falling US dollar to \$2,663/oz. However, the one-month risk reversal measure (which represents bearish trading bias) is on the way to register a four-month downtrend, sliding to -0.725 by the end of Thursday's trading, according to Reuters. This represents the biggest bearish bias since February, which could signal trouble for palladium.

## The Week Ahead

The week ahead is rife with economic data releases, with the Euro Area releasing their YoY retail sales for the month of June: in May it rose by 9%, but fears of a Delta variant Covid resurgence have decreased retail sales forecasts to 5.1% in June. The Bank of England is making its interest rate decision on Thursday: previously they left the rate unchanged at a record low of 0.1% but increased inflationary pressures might mean they will tighten their monetary policy and raise the interest rate this time around. The US will also post their trade deficit for June on Thursday, with analyst consensus stating they expect the deficit to widen by another \$2.7bn from May to a \$73.9bn total trade deficit. On Friday the US will release non-farm payrolls, with an expected addition of 900,000 jobs, up 50,000 from June. However, forecasts for payrolls have been widely inaccurate: in April the US only added 266,000 jobs, while consensus forecasts were 978,000.



# Graph of the Week



# Metals – Spot Price

Metal	Price 30th July USD	Weekly Change %	Mtd. Change %	Ytd. Change %	Price vs 50d MA	Price vs 200d MA
Gold	1,814	0.7%	2.5%	-4.4%	-0.8%	-0.3%
Silver	25.5	1.2%	-2.4%	-3.5%	-3.8%	-1.6%
Platinum	1,052	-1.1%	-2.2%	-1.9%	-5.9%	-5.5%
Palladium	2,663	-0.5%	-4.3%	8.7%	-2.6%	4.4%
Copper	9,701	2.2%	3.7%	25.2%	1.0%	11.4%
Nickel	19,892	3.2%	7.8%	20.3%	9.0%	15.0%

Note: All performance data to 30<sup>th</sup> July. Future positioning based on CFTC and SHFE data. Past performance is not an indicator of future performance and the value of an investment may fall as well as rise. Investors take on currency risk when taking unhedged exposure to commodities. Source: Bloomberg, NTTree

# GPF ETC Listings on LSE, Xetra, SIX & Borse Italiana

Product	LSE (USD)	SEDOL	LSE (GBX)	SEDOL	Xetra (EUR)	WKN	Borsa Italiana (EUR)	SIX (CHF)	Valor	ISIN	TER %
GPF Physical Gold ETC	TGLD	BMYCKG1	TAUS	BKQMV54	OIIA	A3GNPX	TGLD	TGLD	58961848	XS2265368097	0.145
GPF Physical Silver ETC	TSLV	BMYCKH2	TAGS	BKQMV55	OIIB	A3GNP0	TSLV	TSLV	58847211	XS2265369574	0.200
GPF Physical Platinum ETC	TPLT	BMYCKJ4	TPTS	BKQMW03	OIIC	A3GNPZ	TPLT	TPLT	58847471	XS2265369731	0.200
GPF Physical Palladium ETC	TPAL	BMYCKK5	TPDS	BKQMVZ1	OIID	A3GNPY	TPAL	TPAL	58847495	XS2265370234	0.200
GPF Physical Copper ETC	TCOP	BMYLVM1	TCUS	BMYLV0	OIIE	A3GQ0Q	TCOP	TCOP	112161508	XS2314659447	0.850
GPF Physical Nickel ETC	TNIK	BMYLVQ5	TNIS	BMYLVN2	OIIF	A3GQ0R	TNIK	TNIK	112161525	XS2314660700	0.750

Trading:

AP: Flow Traders

MM: GHCO, Peel Hunt, Winterflood

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